

EXHIBIT A:
FISCAL YEAR 2011-2012
COSTS
Fixed Costs: \$157,971 Adjustment Proposed

Fixed costs, subject to a 29% operating margin, were incurred in fiscal year 2011-2012 in the general categories of labor-related costs, non-labor costs, costs allocated from corporate functions, equipment leases and support, depreciation and insurance. The following table compares the actual costs incurred to the costs identified as allowable in Commission Order No. 2012-400:

	Commission Order No. 2012-400	Actual Costs Incurred in FY 2011-2012	Adjustment Proposed
Labor, Fringe and Non-labor	\$1,530,000	\$1,659,178	
Corporate Allocation (G&A)	\$515,000	\$684,713	
Equipment leases and support	\$154,106	\$133,901	
Depreciation	\$56,385	\$58,468	
Insurance	\$427,031	\$341,596	
Subtotal (Fixed Cost subject to 29% margin)	\$2,682,522	\$2,877,856	
Legal Support	\$71,726	\$34,309	
Subtotal (Fixed Cost not subject to 29% margin)	\$71,726	\$34,309	
Total Fixed Costs	\$2,754,248	\$2,912,165	\$157,917

The actual Fixed Costs incurred during fiscal year 2011-2012 were **\$2,912,165**. This amount is **\$157,917** more than the amount identified in Order Number 2012-400. Therefore, an adjustment of **\$157,917** is requested in this category of costs.

Variable Costs:

Variable Labor and Non-Labor Costs

No Adjustment Proposed

Commission Order No. 2012-400 identified the following categories of rates for projecting Variable Labor and Non-Labor costs: vault purchase and inspection (per vault), ABC waste disposal (per shipment), slit trench operations (per slit trench offload), customer assistance (per shipment), and trench records (per container).

The following table illustrates the Variable Labor and Non-Labor costs that would be calculated using the Variable Labor and Non-Labor rates identified in Order No. 2012-400 and the number of units in each category.

	Units	Variable Cost Rate in Order No. 2012-400	Calculated Cost
Vault Purchase & Inspection (per vault)	68	\$81.35	\$5,532
ABC Waste Disposal (per shipment) (total shipments, less slit trench shipments, less irregular project shipments)	70	\$1,948.78	\$136,415
Slit Trench Operations (per slit trench offload)	3	\$29,787.46	\$89,362
Customer Assistance (per shipment)	73	\$47.64	\$3,478
Trench records (per container)	117	\$130.34	\$15,250
Total Calculated Variable Labor and Non-labor Cost			\$250,037

The actual Variable Labor and Non-Labor costs experienced in the disposal of waste in fiscal year 2011-2012 resulted in a Total Variable Labor and Non-Labor Cost of **\$231,559**. This amount is **\$18,478** less than the amount that would have been anticipated based on rates provided in Commission Order 2012-400. Therefore, Chem-Nuclear requests no adjustment in this category of costs.

Vault Costs
Adjustment Proposed

The following table illustrates the vault costs that would be calculated using the Variable Cost rates identified in Commission Order No. 2012-400 and the volumes of waste received in each respective category.

	Volume Buried (cubic feet)	Variable Cost Rate in Order No. 2012-400	Calculated Cost
Class A waste	5,919.14	\$40.61	\$240,376
Class B waste	2,460.20	\$42.08	\$103,525
Class C waste	941.6	\$42.97	\$40,461
Slit Trench waste	173.4	\$191.99	\$33,291
Irregular Components (in vaults as an irregular cost)		N/A	N/A
Irregular Components (not in vaults)		N/A	N/A
Total Calculated Vault Cost			\$417,653
Total Volume (cubic feet)	9,494.34		

The total cost incurred for routine disposal vaults used during fiscal year 2011-2012 was **\$437,861**. This amount is **\$20,208** more than the amount that would have been anticipated based on rates provided in Commission Order 2012-400. Therefore, Chem-Nuclear requests an adjustment in this category of cost of **\$20,208**.

**Irregular Costs
Adjustment Proposed**

The following table summarizes the Irregular Costs incurred in fiscal year 2011-2012 organized by projects. Exhibit B provides additional descriptions of each of these irregular projects.

Irregular Cost Item	Order No. 2012-400	Actual FY 11-12 Labor	Actual FY 11-12 Non-Labor	Total Cost FY 11-12
Various Trenches (design, construct, and backfill): Trench 98, Trench 91, Trench 99, and Slit Trench 37.	\$98,307	\$41,800	\$151,062	\$192,862
License Renewal and Appeal costs	\$10,000	\$4,865	\$4.44	\$4,869
Decontamination and Corrective Actions	\$5,000	\$0	\$0	\$0
Site Engineering and Drawing Updates	\$3,000	\$570	\$999	\$1,569
Site Assessments	\$5,000	\$0	\$0	\$0
Record Retention/Waste Tracking		\$2,676		\$2,676
Other Irregular costs (Monitoring Well Abandonment, Special Site Maintenance Projects, repairs to BEDL and B&CB staff support)	\$56,347	\$14,405	\$38,782	\$53,187
Increased Security Controls	\$10,000	\$191	\$3,793	\$3,984
Institutional Overage				\$14,744
Irregular Costs	\$187,654	\$64,507	\$194,640	\$273,891
Total Irregular Costs	\$187,654	\$64,507	\$194,640	\$273,891

The total costs incurred in fiscal year 2011-2012, as Irregular costs, were **\$273,891** compared to the amount identified in Commission Order No. 2012-400 of **\$187,654**. Chem-Nuclear therefore requests an adjustment in Irregular Costs of **\$86,237** (\$71,493 of Operations Irregular Costs and \$14,744 of Institutional Costs).

**EXHIBIT B:
FISCAL YEAR 2011-2012 IRREGULAR COSTS
ORGANIZED BY PROJECT**

PROJECT NUMBERS	PROJECT NAME AND EXPLANATIONS
188701.8027 188701.8028 188701.8029 188701.8030	Various Trench Construction and Backfill Operations (Labor \$41,799.87 and Non-labor \$151,062.38) Trench construction activities in fiscal year 2011-2012 included design, construction and backfill (including use of free flowing sand where applicable) in Trench 98, Trench 91, Trench 99, and Slit Trench 37.
952188.8001 952188.8004	Appeal DHEC License, License Administration, (Labor \$4,864.24 and Non-Labor \$4.44) Non-routine activities by licensing department and others related to the appeal process for the DHEC radioactive materials license renewal. Included here are costs for CNS labor. Legal expenses are included in fixed costs.
188000.8005 188000.8006	Decontamination and Corrective Actions (Labor \$0 and Non-labor \$0) Includes costs related to decontamination efforts and corrective actions required as a result of waste received for disposal. No costs were incurred in these projects for FY 2010-2011.
188004.8001	Site Engineering & Drawing Updates (Labor \$569.97 and Non-labor \$999.03) Labor costs for site engineering support and preparation and reproduction of site drawings. The engineering support and drawings were required for various analyses and reports submitted to SC DHEC.
952182.8001 952182.8002	Records Retention/Waste Tracking (Labor \$2,676 and Non-Labor \$0) Included here are costs associated with special projects related to site disposal records. Also included are costs for providing SC DHEC with requested data records and analysis.
952192.8002 952183.8002 188000.8012 188000.8013 188004.8002 188007.8001	Other Irregular Costs (Special Site Maintenance, Monitoring Well Abandonment, repairs to the BEDL, and B&CB Staff Support) (Labor \$14,405 and Non-labor \$38,782) Included here are costs for abandoning five monitoring wells and repairs to the disposal site back-up water supply well. Also included here are costs for SC B&CB staff requests.
188008.8001	Increased Security Controls (Labor \$191.07 and Non-labor \$3,793.36) Costs associated with maintenance, repair and replacement of physical security equipment as approved by SC DHEC to implement increased controls over radioactive materials at the disposal site.
189000.0002 189004.0001 189008.0001 189000.2002 952982.0001 952983.0001 952986.0001 952988.0001 955901.6002 952981.0001 952990.0001	Institutional Overage (Labor & Non-Labor \$14,744) Costs associated with institutional care over the FY 11/12 Institutional cost cap of \$2,111,918.

**EXHIBIT C:
FISCAL YEAR 2012-2013 COSTS**

We propose the following amounts be identified as allowable costs for fiscal year 2012-2013:

FIXED COSTS	
Fixed Costs to which 29% operating margin is added	
Labor, Fringe and Non-Labor	\$1,721,953
Corporate Allocations (Management Fees/G&A)	\$705,254
Depreciation	\$58,468
Insurance	\$439,841
Equipment Leases and Support	\$137,918
Fixed Costs to which 29% operating margin is not added	
Legal Support	\$35,338
Total Fixed Costs	\$3,098,772
IRREGULAR COSTS	
Trench Construction	\$116,390
License Appeal	\$10,000
Corrective Action	\$5,000
Site Assessments	\$5,000
Miscellaneous	\$54,782
Total Irregular Costs	\$191,172
VARIABLE COSTS	
Variable Labor and Non-Labor Rates	
Vault Purchase and Inspection (per vault)	\$186.79
ABC Waste Disposal (per shipment)	\$1,169
Slit Trench Operations (per slit trench offload)	\$6,967.23
Customer Assistance (per shipment)	\$80.75
Trench Records (per container)	\$325
Variable Material Cost Rates (Vaults)	
Class A Waste (per cubic foot)	\$40.29
Class B Waste (per cubic foot)	\$45.63
Class C Waste (per cubic foot)	\$49.62
Slit Trench Waste (per cubic foot)	\$156.19